

WILDWOOD ACRES PROPERTY OWNERS ASSOCIATION

LEASING POLICY

STATE OF TEXAS §
 §
COUNTY OF HENDERSON §

KNOW ALL MEN BY THESE PRESENTS:

This LEASING POLICY (this "Policy") is made effective as of MAY 1, 2023, by Wildwood Acres Property Owners Association (hereinafter referred to as the "Association").

WITNESSETH:

WHEREAS, the Association is charged with administering and enforcing those certain covenants, conditions and restrictions contained in the Wildwood Acres Restrictive Covenants - Amended and Restated April 1, 2019, filed of record at Instrument No. 201900014071, of the Real Property Records of Henderson County, Texas (the "Restrictive Covenants"), as such may be amended and/or supplemented from time to time; and

WHEREAS, the Article I of the Restrictive Covenants provides in part, the following:

"...No short rentals (for example, weekends, as week or a month) are permitted. Any rentals must be for lease terms which are 12 months or longer."

WHEREAS, the Article XIII of the Restrictive Covenants provides, in part, the Board may "...impose reasonable fines, as set by the Board of Directors, for violations of the declaration, bylaws and rules of the association..."; and

WHEREAS, the Board desires to clarify the leasing restrictions in the Restrictive Covenants and adopt specific rules related to the leasing of lots within the development, and sanctions for violations related to leasing; and

WHEREAS, it is the desire of the Board to adopt this Leasing Policy.

NOW, THEREFORE, the Leasing Policy is as follows:

- (A) **RENTAL/LEASING OF LOTS.** The Association, via the Board, desires to protect the Owners' equity in their lots, to prevent the development from assuming the character of a renter-occupied complex or hotel-commercial property, and to comply with eligibility requirements of underwriting lenders for mortgage financing. Therefore, lots may only be Rented/Leased subject to the following, and subject to any reasonable rules, regulations and/or requirements (including penalties for infractions related to same) not set forth

in this Policy as may be determined from time to time by the Board of Directors, as long as such rules, regulations or requirements are not in conflict with the terms set forth in the Restrictive Covenants:

1. Definition of Rental/Leased/Leasing. "Rental/Leased"/"Leasing" is defined as the occupancy of a lot for any period of time by any person, other than the Owner, for which the Owner, or any designee of the Owner, receives any consideration or benefit, including, but not limited to, a fee, service, gratuity or emolument. For purposes of this Section, if a lot is owned by a trust and the beneficiary of the trust is living in the lot, that lot shall be considered "Owner-occupied" rather than Rented/Leased.
2. Definition of "Tenant." A Tenant is any person having the right to reside/live/stay in, occupy or use, a lot, whether the Owner is present or not, and whether paying rent or not, and whether identified on the lease or not, other than: (1) the record Owner of the lot as shown in the Henderson County, Texas, real property records, and (2) the record Owner's spouse, partner, mother, father, daughter, son, sister or brother (whether whole or half-blood), grandmother, grandfather, grandson or granddaughter. The determination of who constitutes a Tenant is subject to the sole discretion of the Board of Directors.
3. Rental/Leasing Conditions and Restrictions. The Rental/Leasing of lots is subject to the following additional conditions:
 - a) An entire lot (but not less than entire lot) may be Rented/Leased for private residential purposes only (i.e., rooms may not be individually Rented/Leased).
 - b) Pursuant to Article I of the Restrictive Covenants, "No short rentals (for example, weekends, as week or a month) are permitted. Any rentals must be for lease terms which are 12 months or longer." Note that no lot may be Rented/Leased for a term of less than twelve (12) consecutive months.
 - c) A lot may not be Rented/Leased for hotel or transient purposes. No lot may be Rented/Leased on an hourly, daily, weekend, weekly, monthly or quarterly basis.
 - d) No more than one (1) lease may be signed for the same lot and same lease term.

- e) All leases must be in writing and must be made expressly subject to the Restrictive Covenants, By-laws, and the Regulations (the "Documents").
- f) There shall be no subletting of a lot or assignment of a lease unless prior written approval is obtained from the Board of Directors.
- h) An Owner must provide the Association with the Tenant's contact information, including the name of all occupants and a contact telephone number for the Tenant. A completed copy of the Association's Tenant Information Form, if one has been created, must be provided to the Association by an Owner prior to the occupancy of that Owner's lot pursuant to a lease. The Owner must provide the Association with a written statement signed by the Owner and the Tenant acknowledging that said occupant(s) agree to be bound by the Documents, including all Rules and Regulations and policies promulgated pursuant thereto, and any amendments thereof, and any federal, state, or local laws and ordinances. Whether or not it is so stated in a lease, every lease is subject to the Documents. An Owner is responsible for providing the Tenant with copies of the Documents and notifying the Tenant of any changes to the Documents and for compelling performance under them.
- i) A rental, lease or lease renewal made in violation of the Association's governing legal documents is void and the Board may: 1) impose sanctions, including reasonable monetary fines of at least \$200.00, per day for each day the lease is purportedly in place, to enforce any provision of this Policy, and any other provision of the Restrictive Covenants, By-laws or rules and regulations regarding rentals/leasing, and 2) suspend the right of the Owner and/or Tenant to use any common area property of the Association. Such fine(s), and any other charge incurred by the Association in enforcing these provisions, shall, pursuant to Article XIII of the Restrictive Covenants, constitute a lien on the Owner's lot to secure the payment thereof and may be collected as authorized thereby and/or as may be authorized by law. Failure to comply with the Restrictive Covenants, the By-

laws, this Policy or any rules and regulations shall also be grounds for an action to recover sums due for damages, including reasonable attorney's fees and costs incurred by the Association, or injunctive relief, or both, maintainable by the Association, or, in a proper case, by an aggrieved Owner. Failure by the Association or any Owner to enforce any of the foregoing shall in no event be deemed a waiver of the right to do so thereafter.

4. Remedies for Tenant Noncompliance. If the Board determines that a Tenant of a Rented/Leased Lot has failed to comply with the conditions and requirements of the Documents, and if the Board determines that enforcement action is warranted, the Board may, take the following actions, in addition to all other remedies the Association may be entitled to pursuant to its Documents and/or relevant law, including imposing a fine as set forth in 3.i) above:
 - a) The Board may notify the Owner by mail, e-mail or other legally acceptable/required form of notice, advising the Owner of the alleged violation by the Tenant; and
 - b) Except as otherwise permitted by relevant law, or in circumstances where immediate action or less than the notice set forth hereinafter is required, the Owner will have thirty (30) days, after receipt of such notice to investigate and correct the alleged breach by the Tenant or advise the Board in writing that the violation has been remedied or has not occurred.
5. No Landlord-Tenant relationship exists. In no event shall it be determined that a landlord/tenant relationship exists between the Association and the Tenant/occupant.

Except as provided by the restrictions contained in this Policy, all other governing legal documents of the Association shall remain in full force and effect. To the extent any other provisions of the Restrictive Covenants, and all other governing legal documents of the Association, conflict with this Policy, the Restrictive Covenants is controlling and supercedes any other provision that provides otherwise.

IN WITNESS WHEREOF, the undersigned officer of the Association hereby represents that the Board has approved of this Leasing Policy.

**WILDWOOD ACRES PROPERTY OWNERS
ASSOCIATION**

By: Peggy A. Tyler
D. G. G. G. D. Tyler
Its: President